

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

32788

Agenda Number

25.

Meeting Date:

May 22, 2014

Department:

Purchasing

Subject

Authorize award and execution of a 12-month requirements supply agreement with AIRGAS SPECIALTY PRODUCTS INC., to provide aqueous ammonia in bulk for Sand Hill Energy Center, in an amount not to exceed \$68,740 with three 12-month extension options in an amount not to exceed \$68,740 per extension option, for a total contract amount not to exceed \$ 274,960.

Amount and Source of Funding

Funding in the amount of \$68,740 is available in the Fiscal Year 2013-2014 Operating Budget of Austin Energy. Funding for the remaining four months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing
Language:

Lowest bid received.

Prior Council
Action:



For More
Information:

Annie Atwood, Buyer I, 512-322-6472

Boards and
Commission
Action:

April 21, 2014 - Recommended by Electric Utility Commission on a vote of 7-0.

Related Items:

MBE / WBE:

This contract will be awarded in compliance with City Code Chapter 2-9D (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Additional Backup Information

This contract will provide bulk aqueous ammonia for Sand Hill Energy Center on an as-needed basis. Aqueous ammonia is used by both the simple cycle units and combined cycle unit at Sand Hill Energy Center with the Selective Catalytic Reduction (SCR) system to reduce nitrous oxide (NOx) in exhaust gas. The aqueous ammonia is injected into the exhaust gas and reacts with the catalyst in the SCR system to convert NOx into diatomic nitrogen (N2) and water (H2O). The aqueous ammonia is required for the SCR systems to operate properly, which is required by Federal and State air emissions permits.

MBE/WBE solicited: 1/0

MBE/WBE bid: 0/0

BID TABULATION
IFB No. APC0006
AQUEOUS AMMONIA
(1- Line Item)

<u>Vendor</u>	<u>Total Bid Amount</u>
Airgas Specialty Products Inc. Austin, Texas	\$68,740.00
GC3 Houston, Texas	\$76,000.00
Southern Ionics West Point, Mississippi	\$84,140.00

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FSD Purchasing Office website.

PRICE ANALYSIS

- a. Adequate competition.
- b. Sixteen notices were sent including one MBE. There are no known WBEs for this commodity. Three bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 14 % increase to the last contract awarded in March 2009. The increase is due to higher prices for diesel fuel.

APPROVAL JUSTIFICATION

- a. Lowest bid. The recommended firm is not the current provider of these services.
- b. The Purchasing Office concurs with the Austin Energy Department's recommended award.
- c. Advertised on the Internet.